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DFD-5636-59

19 August 1959

MEMORANDUM FOR: Deputy Director (Plans)

25X1

SUBJECT : Funding for Project GUSTO (FY 1960)

25X1

1. On 27 July 1959 the undersigned was asked by to
25X1 accompany him to a meeting with the Bureau of the Budget (Mr. Ellis H. Veatch) for the purpose of satisfying the Bureau that we had not received a transfer of , from the USAF for the subject task. This was accomplished and as it turned out the Bureau had confused a FY 1959 transfer concerning (FOG) DRAGOONARY with the GUSTO project. At the conclusion of this meeting Mr. Veatch requested that we promptly get in touch with appropriate USAF officials to insure the funds would be available when needed.

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2. On 3 August arranged a discussion with the Secretary
25X1 of Air Force in charge of Financing and USAF Budget
25X1 Director (Maj. Gen. Robert J. Friedman). We explained to them the position of the Budget Bureau and were advised that the , would be
25X1 available to us any time that our request was received, but they asked if we would participate with them and the Bureau of the Budget in arranging that this money would not be charged against USAF expenditure rate limitation established for the USAF for FY 1960. was of the view that we could cooperate in this respect.

3. At the meeting with Mr. Veatch on 27 July there was mentioned a conclusion reached by the Director of the Bureau of the Budget on 21 July to the effect that money for GUSTO equipment would come from USAF resources. This information was news to me and in response to a question I was assured only that you were aware of the Budget Bureau position. Advice was not offered as to whether or not this conclusion was to encompass all equipments or just the primary vehicle and we need to be informed in this respect as a guide in compiling budgetary material, for FY 1961.

4. If the USAF is to fund for all equipments as well as the Research and Development applicable thereto it occurs to me that we should acquaint them rather promptly with their responsibilities, unless they are already aware, giving assistance to them in arriving at the amount required and

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possibly security advice to be sure that the project is adequately funded and at the proper level (possibly through General Frieham) to insure that security does not diminish. This system of funding, even though possible to accomplish presents some living and lingering problems from a security point of view.

5. May we have an expression from you, orally if desired, regarding the question indicated in paragraph No. 3 above for guidance.

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[redacted]
Comptroller, DFD-DD/P

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